

FINAL STATEMENT OF REASONS

- a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 63-503.232(c)(2)

Specific Purpose:

This section is amended to ensure that state regulations are in accordance with federal regulations regarding Monthly Reporting and Retrospective Budgeting. County welfare departments (CWDs) are to accurately execute federal requirements in accordance with the provisions of 7 CFR 273.21(f)(2)(v).

Factual Basis:

This amendment is necessary because federal regulations at 7 CFR 273.21(f)(2)(v) state: “The State agency shall budget income received on a recurring monthly or semimonthly basis for the month that it is intended to cover. The State agency shall not vary the budgeting of such income merely because it is received during another month as the result of changes in mailing cycles or pay dates, or because weekends or holidays result in an additional or missed payment.”

Section 63-504.421(c)(1)

Specific Purpose:

This section is amended to reflect a change in federal regulations increasing the unearned income reporting threshold for certified change reporting households from \$25 to \$50.

Factual Basis:

This amendment is necessary to be consistent with federal regulations at 7 CFR 273.12(a)(1)(i)(A) regarding change reporting households’ responsibility to report.

Section 63-505.51

Specific Purpose:

This section is amended to change a cross reference citation from Section 63-505.511 through 63-505.516 to the new citation Section 63-505.511 through 63-505.517.

Factual Basis:

This amendment is necessary to update a cross reference. This is necessary to accommodate the adoption of new Section 63-505.512.

Final Modification:

A cross reference has been changed from Section 63-505.517 to .518 for accuracy.

Section 63-505.511

Specific Purpose:

This section is amended to ensure consistency with federal regulations. CWDs are to accurately execute federal requirements in accordance with the provisions of 7 CFR 273.12(a)(1)(i)(B) and 273.12(a)(1)(i)(C)(2).

Factual Basis:

This amendment is necessary because 7 CFR 273.12(a)(1)(i)(B) and 273.12(a)(1)(i)(C)(2) state that certified change reporting households are required to report the following changes in circumstances. 7 CFR 273.12(a)(1)(i)(B) makes a change in the source of income, including starting and stopping a job or changing jobs, if the change in employment is accompanied by a change in income. 7 CFR 273.12(a)(1)(i)(C)(2) has made a change to the amount earned of more than \$100 a month from the amount last used to calculate the household's allotment, provided that the household is certified for no more than six months.

Final Modification:

This section is being amended and reworded for clarification to more accurately specify that such earned income households cannot be certified for more than six months.

Section 63-505.512

Specific Purpose:

This section is being adopted to ensure clarity and consistency with federal regulations. CWDs are to accurately execute federal requirements in accordance with the provisions of 7 CFR 273.12(a)(1)(i)(A).

Factual Basis:

This section is necessary because 7 CFR 273.12(a)(1)(i)(A) states that certified change reporting households are required to report the following changes in circumstances: A change of more than \$50 in the amount of unearned income, except changes relating to public assistance (PA) or general assistance (GA) in project areas in which GA and food stamp cases are jointly processed. The state agency is responsible for identifying changes

during the certification period in the amount of PA, or GA in jointly processed cases. If GA and food stamp cases are not jointly processed, the household is responsible for reporting changes in GA of more than \$50.

Sections 63-505.513 through .517 (Renumbered)

Specific Purpose/Factual Basis:

These sections are renumbered from Sections 63-505.512 through .516 respectively, because of the inclusion of new Section 63-505.512, for clarity.

b) Identification of Documents Upon Which Department Is Relying

7 CFR 273.12(a)(1)(i)(A)

7 CFR 273.12(a)(1)(i)(B)

7 CFR 273.12(a)(1)(i)(C)(2)

7 CFR 273.21(f)(2)(v)

United States Department of Agriculture, Food and Nutrition Service, Administrative Notice 03-23 dated May 1, 2003

c) Local Mandate Statement

These regulations do impose a mandate on local agencies, county welfare departments and school districts. There are no state-mandated local costs in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code because these regulations implement the federal mandate contained in 7 CFR 273.9(d)(6)(iii)(F).

d) Statement of Alternatives Considered

CDSS has determined that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

e) Statement of Significant Adverse Economic Impact On Business

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

f) Testimony and Response

There was neither written testimony received nor oral testimony presented as a result of the public hearing held on December 17, 2003.

f) 15-Day Renotice Statement

A 15-day renotice was not required since there were no substantive changes made to the regulations following the public hearing.